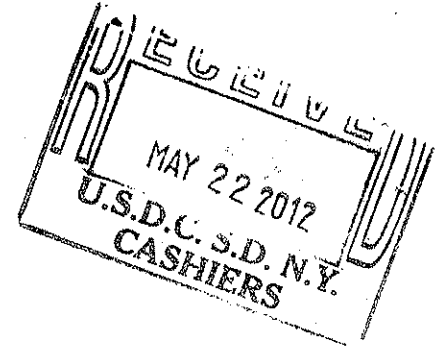


JUDGE BAER

12 CIV 4034

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United States Attorney for the  
Southern District of New York  
By: ALEXANDER J. WILSON  
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UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK

-----X  
UNITED STATES OF AMERICA,

Plaintiff,

- v -

ALL RIGHT, TITLE AND INTEREST IN THE  
REAL PROPERTY AND APPURTENANCES  
THERE TO KNOWN AS 35-37 EAST BROADWAY,  
NEW YORK, NEW YORK 10002 LISTED AS  
BLOCK 280, LOT 42 IN THE OFFICE OF  
THE COUNTY CLERK AND REGISTER OF  
NEW YORK COUNTY, NEW YORK,

Defendant-in-rem.  
-----X

VERIFIED COMPLAINT

12 Civ.

Plaintiff United States of America, by its attorney,  
Preet Bharara, United States Attorney for the Southern District  
of New York, for its verified complaint alleges upon information  
and belief as follows:

I. JURISDICTION AND VENUE

1. This action is brought pursuant to 18 U.S.C. §§  
1955 and 985 by the United States of America seeking the  
forfeiture of all right, title and interest in the real property

and appurtenances thereto located at 35-37 East **Broadway**, New York, New York 10002 (the "defendant-in-rem property").

2. The defendant-in-rem property is listed as Block 280, Lot 42 in the County Clerk and Register of New York County, New York, and is more particularly described in a deed dated April 26, 1973 from Elias S. Cohen and Anna S. Cohen to Won & Har Realty Corporation. The legal description of the defendant-in-rem property as set forth in said deed is as follows:

ALL that certain plot, piece or parcel of land, with the buildings and improvements thereon erected, situated, lying and being in the Borough of Manhattan, City, County and State of New York, bounded and described as follows:

BEGINNING at a point on the southerly side of East Broadway, distant two hundred eighteen feet nine inches easterly from the corner formed by the intersection of the southerly side of East Broadway with the easterly side of Catherine Street, running thence SOUTHERLY at right angles to the southerly side of East Broadway, 100 feet; thence EASTERLY at right angles to last mentioned course, 25 feet; thence NORTHERLY at right angles to last mentioned course, 12 feet 6 inches; thence EASTERLY again at right angles to last mentioned course, 24 feet 6 inches; thence NORTHERLY along a line forming an interior angle of 90 degrees 16 minutes 20 seconds with southerly side of East Broadway, 87 feet 6 inches to the southerly side of East Broadway; thence WESTERLY along the southerly side of East Broadway, 49 feet 1 inch or to the point or place of beginning.

3. This Court has jurisdiction over this action pursuant to 28 U.S.C. §§ 1345 and 1355.

4. Venue is proper pursuant to 28 U.S.C. § 1395 because the defendant-in-rem property is located in the Southern District of New York.

5. Won & Har Realty Corporation is the owner of record of the defendant-in-rem property.

## II. PROBABLE CAUSE FOR FORFEITURE

6. The defendant-in-rem property is a six-story building located on the south side of East Broadway between Catherine Street and Market Street. The first floor of the building is separated into 35 East Broadway and 37 East Broadway, each with its own entrance and each with storefronts on the first floor. In between 35 and 37 East Broadway on the first floor is a third entrance labeled 35-37, which leads to a hallway between the two wings of the building, in which there is an elevator leading to the higher floors of the building. All the floors above the first floor are combined, with no separation between 35 and 37 East Broadway. The third through sixth floors each have approximately six Suites, accessible from a common public hall.

7. Since in or around July 2010, the Department of Homeland Security, Homeland Security Investigations ("HSI") and the New York City Police Department ("NYPD") have been investigating illegal gambling activities occurring within the defendant-in-rem property through various methods, including but

not limited to visual and video surveillance and multiple searches of the premises.

8. This investigation has revealed that the defendant-in-rem property has been the site of an extensive network of illegal gambling operations, which has operated consistently in the defendant-in-rem property since at least 2010, despite two separate law enforcement searches of locations within the property resulting in seizures of gambling proceeds and materials. These operations were conducted in almost half of the Suites in the defendant-in-rem property, providing a variety of different illegal gambling offerings, including mahjong, pai gow poker, and computer-based slot machine games ("computer slots"). Furthermore, surveillance cameras were placed throughout the locations in the defendant-in-rem property utilized for the gambling operations, including in public halls. Upon information and belief, such cameras were installed in order to provide security for the gambling operation and detect and defeat law enforcement action against the gambling operators. More specifically, the investigation has revealed the following facts set forth below.

9. The illegal gambling operations at the defendant-in-rem property have been in place since at least on or about July 14, 2010, when the NYPD observed that at least five out of

the six Suites on the sixth floor of the defendant-in-rem property were filled with gambling tables at which players were engaged in illegal gambling ("active gambling tables"). By that date, at least three security cameras had been installed in the public sixth floor hall.

10. On or about March 15, 2011, NYPD officers executed a search warrant for rooms 602 and 606 of the defendant-in-rem property (the "March 2011 Search"). During the course of the search, the officers seized over \$40,000 in gambling proceeds and various gambling materials.

11. Despite the March 2011 Search, illegal gambling operations continued unabated at the defendant-in-rem property. For example:

a. On or about May 20, 2011, all six Suites on the sixth floor of the defendant-in-rem property were filled with active gambling tables.

b. On or about July 7, 2011, five Suites on the sixth floor of the defendant-in-rem property were filled with active gambling tables. The sixth room was occupied by security guards and a "banker," who was holding cash on behalf of the gambling enterprise.

c. On or about July 11, 2011, at least four Suites on the sixth floor of the defendant-in-rem property were filled with active gambling tables.

12. On or about July 19, 2011, HSI and NYPD officers executed a search warrant for the entire sixth floor of the defendant-in-rem property (the "July 2011 Search"). During the July 2011 Search, the officers arrested seven persons involved in the illegal gambling operations on New York State charges, and seized more than \$60,000 in gambling proceeds from the gambling enterprise, and approximately \$140,000 in gambling proceeds from players.

13. Nonetheless, illegal gambling operations continued at the defendant-in-rem property after the July 2011 Search, though the activity was generally shifted to lower floors of the building. In support of that shift, new security cameras were installed on the third and fourth floors after the July 2011 Search. For example:

a. On or about September 29, 2011, six out of approximately 12 Suites on the third and fourth floors of the defendant-in-rem property were filled with active gambling tables.

b. On or about December 1, 2011, five Suites on the third and fourth floors of the defendant-in-rem property were filled with active gambling tables.

c. On or about February 26, 2012, six Suites on the third and fourth floors of the defendant-in-rem property, and one Suite on the sixth floor, were filled with active gambling tables.

d. By at least in or around February 2012, approximately 20-30 computers were installed in a first floor Suite for use in computer slots gambling (the "Slots Room"). At an enclosed booth connected to the room, an employee of the gambling enterprise would collect cash from players. That employee would then direct a given player to a computer where the amount of cash provided by the player would be reflected as available "credits" for betting on computer slots. The player would win or lose credits while playing, and then, when the player was finished, the employee in the booth would provide the player with an amount of cash corresponding to their final amount of credits. The SLOTS ROOM has been openly advertised by a large sign above the 37 East Broadway entrance that states "LUCKY U 777," with the words surrounded by dollar signs.

e. On or about March 29, 2012, five Suites on the third and fourth floors of the defendant-in-rem property,

and two Suites on the sixth floor were filled with active gambling tables. In addition, players were gambling in the SLOTS ROOM.

f. On or about April 17, 2012, five Suites on the third and fourth floors of the defendant-in-rem property were filled with active gambling tables. In addition, players were gambling in the SLOTS ROOM.

g. On or about May 15 and 16, 2012, six Suites on the third and fourth floors of the defendant-in-rem property, and one Suite on the sixth floor were filled with active gambling tables. The SLOTS ROOM was temporarily closed for repairs, according to a sign posted at the entrance.

14. On or about May 21, 2012, HIS, NYPD and other law enforcement officers executed a third search warrant for various locations throughout the defendant-in-rem property, along with another related gambling location in another building (the "May 2012 Search"). In connection with the May 2012 Search, HSI and NYPD arrested eleven persons involved in the illegal gambling operations on New York State charges<sup>1</sup> and seized approximately \$163,000 in gambling proceeds. In addition, the officers seized large numbers of gambling tables and other gambling materials.

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<sup>1</sup> The New York Attorney General's office simultaneously arrested two additional persons for practicing medicine without a license in the building.



15. Representatives of Won & Har Realty Corporation, the owner of the defendant-in-rem property, had knowledge of illegal gambling operations taking place at the defendant-in-rem property. For example, on or about March 30, 2012, Damon Leong, President of Won & Har Realty Corporation, received formal notice from law enforcement that illegal gambling activities had been discovered in progress at the defendant-in-rem property during the July 2011 Search, and that over \$200,000 in illegal gambling proceeds had been seized.

### III. CLAIM FOR FORFEITURE

16. Plaintiff repeats, realleges and incorporates by reference herein each and every allegation contained in paragraphs one through 15 of this Verified Complaint.

17. Title 18, United States Code, Section 985(c)(1)(A) provides that "The Government shall initiate a civil forfeiture action against real property by filing a complaint for forfeiture."

18. Title 18, United States Code, Section 1955(c) imposes a criminal penalty on

- (a) whoever conducts, finances, manages, supervises, directs, or owns all or part of an illegal gambling business...

(b) As used in this section-

(1) "illegal gambling business" means a gambling business which--

(i) is a violation of the law of a State or political subdivision in which it is conducted;

(ii) involves five or more persons who conduct, finance, manage, supervise, direct, or own all or part of such business; and

(iii) has been or remains in substantially continuous operation for a period in excess of thirty days or has a gross revenue of \$2,000 in any single day.

19. 18 U.S.C. § 1955(d) provides that "any property, including money, used in violation of the provisions of [18 U.S.C. § 1955] may be seized and forfeited to the United States."

20. As demonstrated by the Verified Complaint, there is probable cause to believe that the defendant-in-rem property is subject to forfeiture pursuant to 18 U.S.C. §§ 1955(d) and 985 because it constitutes property used in violation of the provisions of 18 U.S.C. § 1955.

WHEREFORE, Plaintiff United States of America prays that process issue to enforce the forfeiture of the defendant-in-rem property and that all persons having an interest in the defendant-in-rem property be required to appear and show cause why the forfeiture of the defendant-in-rem property should not be decreed, that this Court decree forfeiture of the defendant-in-rem property to the United States of America for disposition according to law, and that this Court grant plaintiff such further relief as it may deem just and proper, together with the costs and disbursements of this action.

Dated: New York, New York  
May 22, 2012

PREET BHARARA  
United States Attorney for  
Plaintiff United States of America

By:



ALEXANDER J. WILSON  
Assistant United States Attorney  
One St. Andrew's Plaza  
New York, New York 10007  
(212) 637-2453

## VERIFICATION

STATE OF NEW YORK )  
COUNTY OF NEW YORK )  
SOUTHERN DISTRICT OF NEW YORK )

CHRISTOPHER COSTA, being duly sworn, deposes and says that he is a Special Agent with the Department of Homeland Security, Homeland Security Investigations ("HSI") and as such has responsibility for the within action; that he has read the foregoing Verified Complaint and knows the contents thereof, and that the same is true to the best of his own knowledge, information and belief.

The sources of deponent's information and the ground of his belief are official records and files of HSI, the New York City Police Department, and other law enforcement agencies, and information obtained directly by deponent and other case agents during an investigation of alleged violations of Title 18, United States Code.

Christopher G. 1

CHRISTOPHER COSTA,  
Special Agent  
Department of Homeland Security,  
Homeland Security Investigations

Sworn to before me this  
22<sup>nd</sup> day of May 2012

Notary Public

MARCO DASILVA  
Notary Public, State of New York  
No. 01DA6145603  
Qualified in Nassau County  
My Commission Expires May 8, 2014